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Honorable Judge Marc Barreca
Hearing Location: ZOOM.GOV
Hearing Date: May 24, 2023
Hearing Time: 10:00 a.m.
Response Due: May 17, 2023

IN THE UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In re

TIMOTHY DONALD EYMAN,

Debtor.

Case No.: 18-14536-MLB

TRUSTEE'S MOTION FOR
AUTHORIZATION TO ABANDON
PROPERTY OF THE ESTATE

I. INTRODUCTION AND RELIEF REQUESTED

Virginia Burdette, the appointed Trustee in the above-captioned Chapter 7 bankruptcy case ("the Trustee"), by and through her legal counsel Schweet, Linde & Rosenblum, PLLC, hereby moves this court, pursuant to §554(a), and pursuant to Bankruptcy Rule 6007 for an Order in the form of the Proposed Order attached hereto.

By this Motion, the Trustee seeks an Order authorizing the abandonment of any remaining assets of the Chapter 7 estate, other than the cash held by the Trustee for distribution to creditors and professionals, so that the Trustee can begin preparations to conclude administration.

II. FACTS

On November 28, 2018, the Debtor Timothy Eyman filed an individual Chapter 11

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1 bankruptcy petition with the United States Bankruptcy Court for the Western District of
2 Washington (the “Bankruptcy Court”) under Cause Number 18-14536-MLB (the “Bankruptcy”)
3 which created a bankruptcy estate (“the Estate”). *Dkt. 1.*

4 On December 17, 2021, the Debtor’s bankruptcy was converted from Chapter 11 to
5 Chapter 7, and the Trustee was appointed to administer the Estate as the Chapter 7 trustee. *Dkt.*
6 *408, 409.*

7 On August 4, 2022 this Court approved a settlement wherein the Trustee agreed to sell real
8 property that was alleged to be vested in the Estate to Debtor’s ex-spouse, Karen Eyman. *Dkt. 483.*
9 That sale was completed on August 24, 2022. *Dkt. 485.* The Trustee has also been able to recover
10 the non-exempt value of Debtor’s bank accounts in the amount.

11 There appear to be three remaining assets the Estate may have an interest in: (1) note
12 (“Note”) to evidence an obligation owed to Debtor from the Debtor’s prior PAC, Permanent
13 Offense; (2) an interest in the website (“URL”) “permanentoffense.com”; and (3) political donor
14 list maintained by the Debtor (“List”). *Declaration of Trustee Virginia Burdette in Support of*
15 *Motion for Authorization to Abandon Property of the Estate*, ¶¶7-9. In the Trustee’s opinion, the
16 potential administration of these assets would not net a positive return for creditors of the estate,
17 and desires to abandon them. *Id.* at ¶10.

20 III. EVIDENCE RELIED ON

- 21 1. Declaration of Trustee Virginia Burdette in Support of this Motion; and
- 22 2. The submissions and records on file with the Court.

24 IV. ANALYSIS

- 25 A. **Abandonment of the Note, the URL, and the List is appropriate because each item is**
26 **burdensome or of inconsequential value to the estate.**

1 After notice and a hearing, the Trustee may abandon any property of the estate that is
2 burdensome to the Estate or is of inconsequential value and benefit to the Estate. 11 U.S.C. §554.

3 a. The Note Appears Uncollectable.

4 Though the Debtor schedules the Note with a value of 411,000.00, the maker of the Note
5 does not have the financial ability to repay the obligation, and does not appear to have sufficient
6 assets to cover the cost of litigation to obtain a judgment. A judgment would be required prior to
7 any collection if the PAC refused to repay the obligation. Because enforcement of the Note is not
8 expected to bring any return to creditors, the Trustee believes abandonment is appropriate.
9

10 b. There is a dispute as to the ownership of the URL, and the cost to even decide is
11 most likely more than the expected value.

12 Though there may be some value to the URL, there is a risk that Debtor, as he claims, does
13 not have an interest in the URL. To discover if the Debtor has an interest will require court orders
14 to require the disclosure of this information. Based on the hurdles, the potential lack of interest of
15 the Debtor, and the delay seeking the answers will cause to final distributions to creditors, the
16 Trustee believes abandonment of the URL is appropriate in her sound business judgment.
17

18 c. Administration of the List would require more in administrative expenses than it
19 would be expected to sell for.

20 Administration of the List would require the appointment of a consumer privacy
21 ombudsman under 11 U.S.C. §332 before the List could be sold or leased to generate revenue for
22 the estate. Based on the cost of ombudsmen in prior cases, the Trustee believes there is not
23 sufficient value in the List to offset the cost of an ombudsman. Because the administrative cost of
24 trying to sell or lease the List would be offset if not eclipsed by administrative costs, abandonment
25 of the List is appropriate.
26

1 d. Any other asset of the estate, other than the cash in the estate's account, should be
2 abandoned.

3 Finally, the Trustee, after a thorough investigation has not identified any other non-exempt
4 assets, other than the cash in the estate's bank account. The Trustee requests the order entered
5 granting this motion include a provision abandoning all assets of the estate, other than the cash
6 that is currently in the estate's bank account to allow the Trustee to proceed with final distributions
7 and closure of this matter.
8

9 **V. CONCLUSION**

10 Based on the foregoing, the Trustee requests this Court enter an order abandoning all of
11 the assets of the estate, other than the cash on deposit in the estate's account.
12

13 DATED May 3rd, 2023.

14 **SCHWEET LINDE & ROSENBLUM, PLLC**

15 /s/ Michael M. Sperry

16 Thomas S. Linde, WSBA #14426

17 Michael M. Sperry, WSBA #43760

18 Attorneys for Virginia Burdette, Chapter 7 Trustee
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